

MINUTE ITEM

This Calendar Item No. 32.
was approved as Minute Item
No. 32 by the State Lands
Commission by a vote of 3
0 at its 3-19-80
meeting.

CALENDAR ITEM
32.

PIPELINE TRANSPORTATION FEASIBILITY STUDY

W 7403.2
3/80
Sanders

In September 1979, the staff of the State Lands Commission were contacted by staff members of the Governor's Office and were requested to undertake a pipeline transportation feasibility study which would explore means by which increased production of "heavy oil" from the Santa Barbara Channel, onshore Santa Maria fields in Kern County could be moved to an appropriate processing facility or facilities. Funding for the proposed research effort was to be provided through the auspices of the Governor's Office. By letter dated October 19, 1979, from the Governor's Executive Secretary and Chief of Staff, Gray Davis, Commission staff were requested to "undertake studies to determine what transportation pipelines are required and to identify the State's role in construction and operation of them".

Of a proposed budget of \$60,000, \$40,000 has been secured: (1) \$20,000 from the State Coastal Commission through a grant of federal monies allocated to the Coastal Energy Impact Program (CEIP); and (2) \$20,000 from the California Energy Resources Conservation and Development Commission (ERCDC). The transfer of these funds to the Commission's budget is predicated on the consummation of agreements with each of these agencies. It is anticipated that these monies will be used to retain the services of an outside consultant and to reimburse the staff costs of the Commission in the proposed effort.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO:

(1) NEGOTIATE AND SIGN AGREEMENTS WITH THE COASTAL COMMISSION AND THE ENERGY COMMISSION TO PROVIDE FOR THE TRANSFER OF FUNDS TO THE COMMISSION'S BUDGET; (2) ISSUE A REQUEST FOR PROPOSALS (RFP) FOR THE SERVICES OF A PRIVATE CONSULTING FIRM; (3) AWARD A CONTRACT TO THE BEST QUALIFIED BIDDER; AND (4) EXPEND UP TO \$20,000 FROM THE COMMISSION'S BUDGET IN THE CONDUCT OF THE ABOVE EFFORT.

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